

TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Mark Alan, Director of Human Resources Management/797-1169

Prepared By: Daniel Lutzke, Assistant Director of Human Resources & Risk Management

SUBJECT: Resolution: Preferred Governmental Insurance Trust Interlocal Agreement
And Participation Agreement

AFFECTED DISTRICT: N/A

TITLE OF AGENDA ITEM:

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE A ONE (1) YEAR PROPERTY & CASUALTY PARTICIPATION AGREEMENT WITH THE PREFERRED GOVERNMENTAL INSURANCE TRUST (PGIT) PROVIDING FOR PROPERTY, AUTO LIABILITY, GENERAL LIABILITY, AND WORKERS' COMPENSATION INSURANCE COVERAGES TO BE EFFECTIVE OCTOBER 1, 2006 AND THEREAFTER PROVIDING FOR EXTENDING OR RENEWING THE AGREEMENT FOR UP TO FOUR (4) ADDITIONAL ONE (1) YEAR PERIODS.

REPORT IN BRIEF: A competitive proposal process was followed that solicited proposals from municipal Trusts and Pools and the private insurance sector. The Town received three (3) bid responses. Bids were received from the Florida Municipal Insurance Trust (FMIT), Southeast Risk Management Association (SERMA) and Public Risk Insurance Agency (PRIA). All Bids were from financially stable and highly qualified professional groups. The Bid Selection Committee evaluated and ranked all proposals and ranked the proposal from FMIT First, PRIA Second and SERMA Third. On August 2, 2006 the Davie Town Council considered the Resolution and the different proposals. During open discussions it became apparent that the bidders had not made their best proposals to the Town of Davie. The Council tabled the Resolution until the August 16, 2006 Council meeting and requested that the Proposers resubmit their proposals with their most competitive bid for reconsideration.

The Bid Selection Committee evaluated the three resubmissions and did reaffirm the ranking of the proposal from Florida Municipal Insurance Trust first (FMIT), the proposal from Public Risk Insurance Agency (PRIA) second and the proposal from Southeast Risk Management Agency (SERMA) third. A Resolution to that effect was prepared for the August 16, 2006 council meeting. Subsequently the Florida League of Cities imposed an early deadline of noon on August 11, 2006 by which time and date the Town of Davie had to provide the Florida Municipal Insurance Trust with a Binding Agreement. When the Town of Davie did not meet their deadline, the Florida League of Cities withdrew their bid for the Florida Municipal Insurance Trust coverage from consideration.

CURRENT SYSTEM: The Town obtains all property casualty insurance coverage's from SERMA, a Municipal Self-Insurance Risk Pool administered by Employers Mutual Inc. This method of obtaining property and casualty insurance coverage has been used for the last four (4) years and has served the Town well. With insurance premiums increasing annually for all lines of coverage it was felt that the time was right to seek competitive proposals. Town of Davie Ordinance 2-238 requires that staff conduct an annual review of Town insurance programs and that the Town seek competitive insurance bids any year the staff feels it appropriate or a minimum of once every five (5) years. Placing Town of Davie insurance coverage's with a new source will not affect the SERMA coverage for unreported and/or existing claims that occurred under the SERMA coverage.

PREVIOUS ACTIONS: At the August 16, 2006 council meeting the Council considered the resubmitted proposals from Public Risk Insurance Agency (PRIA) and Southeast Risk Management Association (SERMA) and did authorize staff to negotiate an Interlocal Participation Agreement with Public Risk Insurance Agency (PRIA) as the administrator of the Preferred Governmental Insurance Trust (PGIT).

CONCURRENCES: The Bid Selection Committee recommends and concurs with the decision to obtain Property, Auto Liability, General Liability and Workers Compensation insurance coverage from the Preferred Governmental Insurance Trust (PGIT).

FISCAL IMPACT: Has the request been budgeted?

Yes. Insurance is an on-going annual expense for the Town of Davie.

PGIT Property & Casualty Program:	\$ 3,783,090.00
Non-PRIA Self-Insurance Deductibles and Ancillary Insurance Policies:	\$ 717,850.00

If yes, TOTAL Property & Casualty Insurance Program Budget:	<hr/> \$ 4,500,940.00
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Account Name: Multiple Insurance, Self-Insurance Deductible Funds and Payroll Accounts

RECOMMENDATION(S): Motion to approve this Resolution

Attachment(s): Resolution

- A. Procurement Authorization
- B. PGIT Premium Cost Summary
- B.1 PGIT Premium Payment Schedule
- C. PGIT Interlocal Agreement
- D. Davie / PGIT Participation Agreement (Mayor to Sign)

RESOLUTION _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE A ONE (1) YEAR PROPERTY & CASUALTY PARTICIPATION AGREEMENT WITH THE PREFERRED GOVERNMENTAL INSURANCE TRUST (PGIT) PROVIDING FOR PROPERTY, AUTO LIABILITY, GENERAL LIABILITY, AND WORKERS' COMPENSATION INSURANCE COVERAGES TO BE EFFECTIVE OCTOBER 1, 2006 AND THEREAFTER PROVIDING FOR EXTENDING OR RENEWING THE AGREEMENT FOR UP TO FOUR (4) ADDITIONAL ONE (1) YEAR PERIODS.

WHEREAS, the Town of Davie is in need of Property and Casualty Insurance to protect the assets and financial stability of the Town of Davie as well as to provide for Workers' Compensation Coverage for its employees; and

WHEREAS, The Human Resources Management Director and the Risk Manager have negotiated a favorable property & casualty insuring agreement with the Public Risk Insurance Agency (PRIA) as the administrator of the Preferred Governmental Insurance Trust (PGIT); and

WHEREAS, it is in the Town's best interest to execute an agreement for such services with Preferred Governmental Insurance Trust (PGIT),

NOW, THEREFORE, BE IT RESOLVED, THAT THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council approves the Preferred Governmental Insurance Trust (PGIT) Participation Agreement and authorizes the Mayor to execute this Participation Agreement with the Preferred Governmental Insurance Trust (PGIT), providing for property, auto liability, general liability, workers' compensation and ancillary insurance coverage's to be effective October 1, 2006 and that the agreement may be renewed or extended for up to four (4) additional annual terms without soliciting proposals. Extensions, if appropriate, will be presented to the Town Council for approval.

SECTION 2. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2006

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS _____ DAY OF _____.

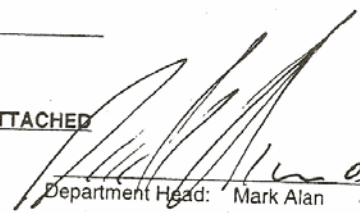

TOWN OF DAVIE . ATTACHMENT A PROCUREMENT AUTHORIZATION

ACCOUNT NUMBER	BUDGET ITEM & DESCRIPTION	APPROXIMATE COST
001-1510-513.05-20	Commercial Gen Liability Insurance	\$4,500,000
050-0720-381-1401	Auto Liability & Physical Damage	
Pay Roll Accounts	Workers Compensation	

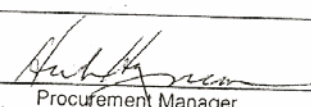
METHOD OF PROCUREMENT (check the one that applies)

- ☐ Open Competitive Bidding
☐ Piggyback on Contract Number _____
☐ Sole Source
☒ Request For Proposals

SPECIFICATIONS & LIST OF VENDORS MUST BE ATTACHED

Signed  05/15/06
 Department Head: Mark Alan
 Have Funds been Reserved: NA CANNOT SET UP A P.O. FROM NEXT YEAR'S BUDGET.
 Date 5/25/06 Signed 
 Signed _____
 Town Administrator

VENDOR	BIDS SUBMITTED	COST
FLORIDA LEAGUE OF CITIES (FMET)		RANKED 1ST
BROWN + BROWN (P&IT P&IA)		RANKED 2ND
EMPLOYERS MUTUAL, INC. (SERMA)		RANKED 3RD

Signed 
 Procurement Manager

BID SPECIFICATION COMMITTEE'S RECOMMENDATION

Vendor	Cost
FLORIDA LEAGUE OF CITIES (FMET)	RANKED 1ST

PGIT Coverage & Premium Summary: COVERED PARTY: Town of Davie
Summary only. Please refer to policy forms for details of limits, sub-limits, deductibles and coverage restrictions

Effective: 10/1/2006		2006/2007		2006/2007		2006/2007		2006/2007	
LINE OF COVERAGE		Insurance CARRIER		COVERAGE LIMITS		Davie DEDUCTIBLE		ANNUAL PREMIUM	
Property:									
Buildings & Contents - Primary Layer		Lexington		\$ 5,000,000		\$25,000 All Other Perils		\$ 934,891.39	
Buildings & Contents - Second Layer		Lloyds London		\$5mil excess of \$5mil				\$ 694,501.39	
Buildings & Contents - Third Layer		Landmark		\$40mil excess of \$10mil		Ex-Wind coverage		\$ 40,106.39	
Windstorm		Lexington/Lloyds		\$ 10,000,000		5% / \$250,000 minimum		Included above	
Equipment Breakdown		Lexington		\$ 5,000,000		\$ 25,000		Included above	
Mobile Equipment		Lexington		Included in Primary Property		\$ 25,000		Included above	
EDP		Lexington		Included in Primary Property		\$ 25,000		Included above	
Business Interruption		Lexington		Included in Primary Property		\$ 25,000		Included above	
Accounts Receivable		Lexington		Included in Primary Property		\$ 25,000		Included above	
Additional Expense		Lexington		Included in Primary Property		\$ 25,000		Included above	
Valuable Papers		Lexington		\$ 500,000		\$ 25,000		Included above	
Crime						Sub-Total		\$1,669,499.17	
Employee Dishonesty		St. Paul Travelers		\$ 1,000,000		\$ 50,000		\$ 5,292	
TDD Inside				\$ 1,000,000		\$ 50,000			
TDD Outside				\$ 1,000,000		\$ 50,000			
Computer Fraud				\$ 1,000,000		\$ 50,000			
Forgery/Alterations				\$ 1,000,000		\$ 50,000			
General Liability:		PGIT				Sub-Total		\$ 5,292	
GL				\$ 1,000,000		None		\$ 289,301	
Employee Benefits				\$ 1,000,000		None			
Law Enforcement Liability				\$ 1,000,000		\$ 5,000		\$ 167,316	
Other - Please Specify									
Automobile:		PGIT				Sub-Total		\$ 456,617	
Auto Liability - 487 units				\$ 1,000,000		None		\$ 414,059	
Uninsured Motorists				rejected					
Physical Damage - 487 units				Symbol 2		\$1,000 Comp & Coll		\$ 69,266	
Hired Physical Damage				\$ 35,000					
Medical Payments				none					
Other - Please Specify									
Public Officials:						Sub-Total		\$ 483,325	
Public Officials Liability		PGIT		\$ 1,000,000		\$ 5,000		\$ 71,266	
Employment Practices Liability				\$ 1,000,000		\$ 5,000		\$ 30,542	
Other - Please Specify									
Workers Compensation:		PGIT				Sub-Total		\$ 101,808	
				\$1m/1m/1m		First dollar coverage		\$ 1,050,549	
						Sub-Total		\$ 1,050,549	
Statutory Death Benefits, AD&D: Police & Fire		Hartford Life		Statutory Limits		TOTAL		\$ 16,000	
						TOTAL PREMIUM:		\$3,783,090.17	

PGIT - Preferred Governmental Insurance Trust

Crime Coverage - We are waiting for additional carriers to quote

Auto Coverage - Above premiums reflect additional vehicles not included in original bid specs



PUBLIC RISK INSURANCE AGENCY

Attachment: B.1

<u>Line of Coverage</u>	<u>Premium:</u>	<u>Payment Due Date(s)</u>
Property:	\$1,669,499.17	10/10/06 payable to PRIA
Crime:	\$ 3,984.00	10/30/06 payable to PRIA
General Liability:	\$ 456,617.00	10/30/06 payable to PRIA
Automobile Liability:	\$ 414,059.00	10/30/06 payable to PRIA
Auto Phys Damage:	\$ 69,226.00	10/30/06 payable to PRIA
Public Officials Liab.:	\$ 101,808.00	10/30/06 payable to PRIA
Police & Fire AD&D:	\$ 15,200.00	10/30/06 payable to PRIA

Workers' Comp.: \$1,050,549.00 This is direct bill and will be billed by and payable to PGIT
25% down and 9 installments

\$ 262,787.25	10/01/06		
\$ 87,529.08	11/01/06	12/01/06	1/1/07
	2/1/07	3/1/07	4/1/07
	5/1/07	6/1/07	7/1/07

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**AMENDED INTERLOCAL AGREEMENT CREATING
THE
PREFERRED GOVERNMENTAL INSURANCE TRUST**

This Amended Interlocal Agreement, restating and modifying the Preferred Governmental Insurance Trust, is made and entered into effective October 1, 2002, by and among the Local Governmental Entities who have executed Participation Agreements (Application for Membership in the Preferred Governmental Insurance Trust) to become effective October 1, 2002, such Local Governmental Entities representing one hundred percent (100%) of the Governmental Entities participating in the Preferred Governmental Insurance Trust, together with such other Local Governmental Entities who hereafter become members of the Fund, for the purposes and subject to the conditions and restrictions, as hereinafter set forth.

WITNESSETH:

WHEREAS, Article VIII, Section 2, Florida Constitution, provides municipalities shall have governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes except as otherwise provided by law; and

WHEREAS, Section 125.01, Florida Statutes, provides that counties shall have the power to carry on county government and to exercise all powers and privileges not specifically prohibited by law; and

WHEREAS, Section 163.01, Florida Statutes, commonly known as the "Florida Interlocal Cooperation Act of 1969", provides that Local Governmental Entities may enter into interlocal agreements in order to make the most efficient use of their powers by enabling them to cooperate with other Local Governmental Entities on a basis of mutual advantage, thereby providing services and facilities in a manner, and pursuant to forms of governmental organization, that will best accord with geographic, economic, population, and other factors influencing the needs and development of Local Governmental Entities; and

WHEREAS, Section 624.4622, Florida Statutes, provides that any two or more Local Governmental Entities may enter into an interlocal agreement for the purpose of securing the payment of benefits under Chapter 440, Florida Statutes, provided such local governmental self-insurance fund created thereby has an annual normal premium in excess of five million dollars (\$5,000,000.00), maintains a continuing program of excess insurance coverage, submits annual audited year-end financial statements, and has a governing body which is comprised entirely of local elected officials; and

WHEREAS, Section 768.28, Florida Statutes, provides that the state and its agencies and subdivisions are authorized to be self-insured, to enter into risk management programs, or to purchase liability insurance for whatever coverage they may choose, or to have any combination thereof, in anticipation of any claim, judgment, and claims bill which they may be liable to pay pursuant to such section; and

WHEREAS, Section 111.072, Florida Statutes, authorizes any county, municipality, or political subdivision to be self-insured, to enter into risk management programs, or to purchase liability insurance for whatever coverage it may choose, or to have any combination thereof in anticipation of any judgment or settlement which its officers, employees, or agents may be liable to pay pursuant to a civil or civil rights lawsuit described in s. 111.07, Florida Statutes; and

WHEREAS, Section 624.462, Florida Statutes, provides that a governmental self-insurance pool created pursuant to Section 768.28(15), Florida Statutes, shall not be considered a commercial self-insurance fund; and

WHEREAS, each of the participating Local Governmental Entities which are party to this Agreement, and all subsequent Local Governmental Entities which become party to this Agreement, are public agencies as defined in Section 163.01, Florida Statutes, and are authorized to enter into this Interlocal Agreement by executing a Participation Agreement; and

WHEREAS, each of the Local Governmental Entities which are a party to this Agreement have the powers and authorities to establish, operate and maintain their own individual self-insured programs for the purpose of securing payment of benefits under Chapter 440, Florida Statutes; and

WHEREAS, each of the Local Governmental Entities which are a party to this Agreement have the powers and authorities to establish, operate and maintain their own individual self-insured programs for the purpose of securing payment of benefits under risk management programs or liability insurance programs; and

WHEREAS, it is in the public interest, and in the best interest of the parties hereto, that they join together to establish a consolidated and comprehensive Fund for the payment of benefits under the Florida Workers' Compensation Law, payment of claims, judgments and claims bills which they may become liable to pay, payment of certain civil rights liabilities, payment of casualty and property losses, and the purchase of appropriate policies of insurance, excess insurance and reinsurance to provide protection against such claims and liabilities; and

WHEREAS, the governing authority of each of the Local Governmental Entities which are a party to this Agreement have duly authorized the execution and delivery of a Participation Agreement obligating such Governmental Entity to full performance of this Agreement; and

WHEREAS, it is the intent of this Agreement to allow participation by additional Local Governmental Entities in the self-insurance fund created hereby, pursuant to the terms and conditions of this Interlocal Agreement;

NOW, THEREFORE, by virtue of the execution and delivery of a Participation Agreement, the parties hereto do hereby covenant and agree as follows

SECTION I

INCORPORATION OF RECITALS

The foregoing WHEREAS clauses are incorporated in, and made a part of, this Amended Interlocal Agreement.

SECTION II

DEFINITIONS

The following definitions shall apply to the provisions of this Amended Interlocal Agreement:

- 2.1 **ADMINISTRATOR.** An individual, partnership or corporation engaged by the Fund to carry out the policies of the Fund and provide the day-to-day executive management and oversight of the Fund's operations, including, but not limited to, administration, marketing, underwriting, quoting, issuance, maintenance and auditing of coverage terms, coordinating other third party service providers retained by the Fund and ensuring that the policies and decisions of the Board of Trustees are implemented.
- 2.2 **CLAIMS MANAGEMENT.** "Claims Management" shall mean the process of identifying, receiving, handling, adjusting, reserving, resolving and planning for the funding of eligible claims made by or against any Member of the Trust and any other necessary risk management operations.
- 2.3 **CONTRIBUTION(S).** "Contribution(s)" shall mean any premium charge or other consideration imposed or collected by, or on behalf of the Trust, from its Members based on criteria adopted from time to time by the Board of Trustees. Contributions may be determined and set with respect to all Members, any individual Member or otherwise. The terms "Contribution(s)", "Premium(s)" and "Premium Contribution(s)" are used interchangeably and synonymously throughout this Agreement.
- 2.4 **COVERAGE TERMS.** "Coverage Terms" or "Coverage Agreements" shall mean the terms and conditions of certificates of insurance, policies of insurance, endorsements to policies of insurance, excess insurance policies and reinsurance policies which are provided to Fund Members from time to time which comprehensively set forth the insurance coverages provided to the Fund Members, as may be modified or altered from time to time with respect to all Members, any individual Member, or otherwise, within the applicable notice and procedural requirements of law, or in any other rules and regulations adopted by the Board of Trustees.
- 2.5 **FUND.** "Fund" shall mean the group self-insurer's fund or trust fund which is hereby created for the purposes set forth herein, known as the Preferred Governmental Insurance Trust. The terms "Fund", "Trust" and "Trust Fund" are used interchangeably and synonymously throughout this Agreement.
- 2.6 **LOCAL GOVERNMENTAL ENTITY OR ENTITIES.** "Local Governmental Entity or Entities" shall mean any "public agency" as defined by Section 163.01(3)(b), Florida Statutes.

- 2.7 **MEMBER.** "Member" shall mean a Local Governmental Entity which has duly executed a Participation Agreement and otherwise has complied with all provisions of this Agreement, and which thereafter is entitled to all the rights and benefits conferred by, and subject to all conditions and obligations imposed by, this Agreement, the Coverage Terms, or any rules and regulations which may be adopted by the Board of Trustees.
- 2.8 **NON-COMPLIANCE.** "Non-Compliance" shall mean the failure to comply with the terms of this Agreement, the Coverage Terms, or any rules and regulations which may be adopted by the Board of Trustees, but only to the extent that such Non-Compliance is deemed material by, and within the sole discretion of, the Board of Trustees.
- 2.9 **PREMIUM(S).** "Premium(s)" shall mean "Contribution(s)".
- 2.10 **PREMIUM CONTRIBUTION(S).** "Premium Contribution(s)" shall mean Contribution(s).
- 2.11 **THIRD-PARTY CLAIMS MANAGER.** "Third-Party Claims Manager" shall mean an individual or organization providing claims management services to the Fund.
- 2.12 **TRUST.** "Trust" shall mean the "Fund".
- 2.13 **TRUSTEES.** "Trustees" or "Board of Trustees" shall mean the collegial body charged with the operation and administration of the Fund pursuant to the provisions of this Agreement.
- 2.14 **TRUST FUND.** "Trust Fund" shall mean the "Fund".

SECTION III
ESTABLISHMENT OF "PREFERRED
GOVERNMENTAL INSURANCE TRUST"
AS A SELF-INSURED FUND

- 3.1 **ESTABLISHMENT.** The Preferred Governmental Insurance Trust is hereby established and created pursuant to the provisions of Article VIII, Section 2, of the Florida Constitution, Sections 125.01, 163.01, 624.4622, 768.28(15)(a) and 111.072, Florida Statutes, for the purposes, and with the powers, duties and obligations, as herein set forth.

3.2 **LOCATION.** The location of the principal office of the Trust shall be determined from time to time by the Board of Trustees.

3.3 **PURPOSES.** This Amended Interlocal Agreement is made and executed, and the Fund created hereby is established for the purposes of:

(a) Pooling Member's resources to fulfill Members' legal liabilities and obligations, including, but not limited to, providing for the payment of benefits under the Florida Workers' Compensation Law;

(b) To minimize the cost of providing workers' compensation coverage by developing and refining specialized claim services, by developing and refining, internally or through third party service providers, a managed care system, together with the development and refining of loss prevention programs for the Members;

(c) To pay or provide for general liability and casualty coverage to participating Members, including, but not limited to, public officials errors and omissions, employment practices liability and law enforcement liability claims;

(d) To pay or provide for property coverage to participating Members;

(e) To pay for or provide to its participating Members coverage in anticipation of any judgment or settlement resulting from a civil rights action arising under federal law;

(f) To pay for or provide to participating Members coverage in anticipation of any claims bill passed by the Legislature;

(g) To pay for or provide to participating Members coverage for any other risk authorized under Florida law to be self-insured;

(h) To pay for or provide to participating Members all or a part of such coverages.

This Agreement is not intended to create a partnership or other legal entity whereby one Member assumes the obligations of another Member, or the obligations of the Fund in general, except for the payment of premiums as herein provided.

3.4 **NON-ASSESSABILITY.** Should a deficit develop in the Trust, after excess reinsurance recoveries, whereby claims or other expenses cannot be paid, each individual Member shall assume liability for the costs of claims brought against that Member as if such Member were individually self-insured. Each individual Member shall thereafter be responsible for its individual costs including, but not limited to, claims

administration without an obligation to, or a right of contribution from, other Members.

3.5 **POWERS.** The Trust shall have all the rights, powers, duties and privileges as set forth in Article VIII, Section 2 of the Florida Constitution, and Sections 163.01, et seq., 624.4622, 768.28(15)(a) and 111.072, Florida Statutes, and any other applicable Florida Statutes, which are necessary to accomplish the purposes described in Section 3.3, including but not limited to the following:

- (a) Securing the payment of benefits under Chapter 440, Florida Statutes.
- (b) Collecting premiums from Members for the purpose of paying for or providing casualty, property, and liability coverage, and securing the payment of claims associated therewith.
- (c) Paying for or providing coverage for any other risk authorized under Florida law to be self-insured.
- (d) Paying for or providing all or a part of such coverages.
- (e) To make, enter into, and arrange for insurance, reinsurance, excess insurance, catastrophic insurance, stop-loss insurance, or any other coverage as the Fund shall deem necessary and appropriate, without such purchase being deemed a waiver of sovereign immunity.
- (f) To pay, or approve the payment of, any expenses and fees associated with the operation of the Fund.
- (g) To indemnify and hold harmless any Trustee, officer of the Fund, or any person acting on behalf of the Fund, to the fullest extent such indemnification is permitted by law, against (1) reasonable expenses actually and necessarily incurred in connection with any threatened, pending or completed action, suit or proceeding, whether civil, administrative or civil investigative, including any action, suit or proceeding by or on behalf of the Fund, seeking to hold said person liable by reason of the fact that he or she was acting in such capacity, and (2) reasonable payments made by him or her in satisfaction of any judgment, monetary decree or settlement for which he or she may have become liable in any such action, suit or proceeding by reason of the fact that he or she was acting in such capacity. This indemnification is not intended to, and does not, waive any immunities provided to Members of the Fund, Trustees serving in their capacity as Trustees to the Fund, or to officers or

employees of the Fund, by virtue of the laws of the state of Florida, but is merely in addition to such rights, privileges and immunities. (Ref. 624.489 and 768.28, FS).

SECTION IV ADMINISTRATION OF FUND

- 4.1 MEETINGS. The Board of Trustees shall meet at such time and in such location as may be acceptable to a majority of the Board of Trustees. The Chairman of the Board of Trustees or his designee shall set the date, time and location of each meeting, and notice thereof shall be furnished to each Trustee by the Chairman or his designee not less than ten (10) days prior to the date of such meeting. Such notice shall specify the date, time and location of such meeting and may specify the purpose thereof, and any action proposed to be taken there at. Such notice shall be directed to each Trustee by mail to the address of such Trustee as is recorded in the office or offices of the Fund. In no event shall the Board of Trustees meet less than quarterly. The Chairman of the Board or any three (3) Trustees may call a special meeting and direct the Administrator to send the prerequisite notice for any special meeting of the Board of Trustees. Special meetings of the Board of Trustees may be held at any time and place without notice, or with less than the prerequisite notice, provided all Trustees execute a waiver of notice and consent to said meeting. For purposes of a duly called meeting of the Board of Trustees, a quorum shall exist if a majority of the members of the Board of Trustees are present. The Administrator shall keep minutes of all meetings, proceedings and acts of the Board of Trustees, but such minutes need not be verbatim. Copies of all minutes of the Board of Trustees shall be sent by the Administrator to all Trustees.
- 4.2 VOTING. All actions by, and decisions of, the Board of Trustees shall be by vote of a majority of the Trustees attending a duly called meeting of the Board of Trustees at which a quorum is present; however, in the event of a duly called special meeting, all actions by, and decisions of, the Board of Trustees may be by vote of a majority of

the Trustees present and attending such special meeting if a proper waiver of notice and consent was obtained as provided herein.

- 4.3 **OFFICE OF THE FUND.** The Board of Trustees shall establish, maintain and provide adequate funding for an office or offices for the administration of the Fund. The address of such office or offices shall be made known to the units of local governments eligible to participate in, or participating in, the Fund. The books and records pertaining to the Fund and its administration shall be kept and maintained at the office or offices of the Fund.
- 4.4 **EXECUTION OF DOCUMENTS.** A certificate, document, or other instrument signed by the Chairman or the Administrator of the Fund shall be evidence of the action of the Board of Trustees and any such certificate, document, or other instrument so signed shall conclusively be presumed to be authentic. Likewise, all acts and matters stated therein shall conclusively be presumed to be true.
- 4.5 **APPOINTMENT OF ADMINISTRATOR.** The trustees shall designate and provide compensation for an Administrator to administer the affairs of the Fund. Any Administrator so designated shall furnish the board of Trustees with a fidelity bond with the Trustees as named obligee. The amount of such bond shall be determined by the Trustees and the evidence thereof shall be available to all units of government eligible to participate, or participating in, the Fund.
- 4.6 **COMPENSATION AND REIMBURSEMENT OF TRUSTEES.** The Board of Trustees may from time to time establish a reasonable amount of compensation to cover attendance at a duly called meeting by the Board of Trustees, or to cover the performance of the normal duties of a Trustee. Such compensation shall include reimbursement for reasonable and necessary expenses incurred therewith.

SECTION V

NUMBER, QUALIFICATION, TERM OF OFFICE AND POWER AND DUTIES OF TRUSTEES

- 5.1 **NUMBER AND QUALIFICATION OF TRUSTEES.** The operation and administration of the Trust shall be the joint responsibility of a Board of Trustees consisting of not less than five (5) and not more than nine (9) Trustees. No Trustee may be appointed who is, or continue to serve as a Trustee after becoming, an owner, officer, or employee of

a service provider to the Fund. Each Trustee shall be an elected or appointed official of a Member. No two (2) Trustees may be elected or appointed officials from the same Member. The initial Board of Trustees shall serve staggered terms of two (2), three (3) and four (4) years. Thereafter, each Trustee shall serve for a period of four (4) years, or the balance of such Trustee's term of office as an elected or appointed official of the Member, whichever shall first occur. Each and every Trustee named, and each successor Trustee, shall acknowledge and consent to their appointment as a Trustee by giving written notice of acceptance of such appointment to the chairman, or acting chairman of the Board of Trustees.

5.2 **RESIGNATION OF A TRUSTEE.** A Trustee may resign and become and remain fully discharged from all further duties or responsibilities hereunder, by giving at least sixty (60) days prior written notice sent by certified mail, overnight delivery or other appropriate method of delivery to the chairman or acting chairman of the Board of Trustees. Such notice shall state the date said resignation shall take effect, and such resignation shall take effect on the date designated unless a successor Trustee has been elected at an earlier date as herein provided, in which event resignation shall take effect immediately upon the election of such successor Trustee. Additionally, oral notice of resignation may be given at any duly convened meeting of the Trustees, which said oral notice of resignation shall be incorporated, and made a part of, the minutes of such duly convened meeting. Any Trustee, upon leaving office, shall forthwith turn over and deliver to the chairman or the secretary of the Trustees at the principal office of the Trust any and all records, books, documents or other property in such Trustees possession, or under such Trustees control, which belongs to the Trust.

5.3 **ELECTION OF SUCCESSOR TRUSTEES.** Successor Trustees shall be elected by a majority vote of the Members of the Fund. Nominations for the election of Trustees may be made by the Board of Trustees or any Member of the Fund. The written ballot containing such nominations shall be provided to each Member of the Fund by mail or other means of delivery best calculated to expedite the election of successor Trustees. In the event a Trustee duly elected to serve on the Board of Trustees shall die, resign, become incapacitated or refuse to act, and such event reduces the number of Trustees serving on the Board of Trustees below five (5) in number, then, and in such event, an interim Trustee may be appointed by the Board of Trustees to serve the

duration of the term of the departed Trustee. Appointment of such interim Trustee shall be subject to ratification by a majority vote of the Members of the Trust.

- 5.4 **TRUSTEE TITLE.** In the event of death, resignation, refusal or inability to act by any one or more of the Trustees, the remaining Trustees shall have all the powers, rights, estates and interests of this Trust and shall be charged with its duties and responsibilities; provided, however, that in such case(s), no action may be taken unless it is concurred in by a majority of the remaining Trustees.
- 5.5 **TRUSTEE OFFICERS.** The Trustees shall elect from among themselves a chairman, vice-chairman and secretary of the Board of Trustees. Such officers shall be elected annually at the end of the fiscal year of the Trust, and may succeed themselves.
- 5.6 **POWER AND AUTHORITY.** The Board of Trustees shall be charged with the duty of the general supervision and operation of the Fund, and shall conduct the business activities of the Fund in accordance with this Agreement, its by-laws, rules and regulations and applicable federal and state statutes and rules and regulations. In connection therewith, the Board of Trustees may exercise the following authority and powers:
- (a) To collect premiums from participating Members in an amount individually agreed to by the Fund and said Members for the purpose of paying for or providing the coverages provided in this Agreement to participating Members.
 - (b) To pay for or provide such excess insurance or reinsurance coverage as is necessary to accomplish the purpose of the Fund.
 - (c) To borrow funds, issue bonds and other certificates of indebtedness, and arrange for lines or letters of credit to assist in providing the coverages provided in this Agreement to participating Members.
 - (d) To pay for or provide appropriate liability and other types of insurance to cover the acts of the Board of Trustees of the Fund.
 - (e) To contract with appropriate professional service providers to meet the purposes of the Fund, and to expend funds for the reasonable operating and administrative expenses of the Fund, including but not limited to, all reasonable and necessary expenses which may be incurred in connection with the establishment of the Fund, in connection with the employment of such administrative, legal, accounting, and other expert or clerical assistance to the Fund, and in connection with the leasing and purchase of such premise, material, supplies and equipment as the

Board, in its discretion, may deem necessary for or appropriate to the performance of its duties, or the duties of the Administrator or the other agents or employees of the Fund.

(f) To pay claims the Fund becomes legally obliged to pay pursuant to the Coverage Agreements entered into by and between the Fund and participating Members.

(g) To establish and accumulate as part of the Fund adequate reserves to carry out the purposes of the Fund.

(h) To pay premiums on, and to otherwise secure or provide, insurance products that are ancillary to the coverages authorized by this Agreement.

(i) To invest and reinvest funds that may come into the possession of the Fund.

(j) To assume the assets and liabilities of the Fund.

(k) To take such actions and expend such funds as are reasonably necessary to facilitate the cessation of the business of the Fund.

(l) To exercise such powers that are authorized to be exercised by trustees under and pursuant to the laws of Florida.

(m) To take such other action and expend such funds as are reasonably necessary to accomplish the purposes of the Fund.

5.7 **APPROVAL OF MEMBERS.** The Board of Trustees, after the inception of the Fund, shall receive applications for membership from prospective new participants in the Fund and shall approve applications for membership in accordance with the terms of this Agreement, any Participation Agreement, applicable federal and state statutes and rules and regulations, and the rules and regulations established by the Board of Trustees for the admission of new members into the Fund; provided, however, no prospective member may participate in the Fund unless such prospective member is a public agency of the state. As used herein, the phrase "public agency" includes, but is not limited to, the state, its agencies, counties, municipalities, special districts, school districts, and other governmental entities; the independent establishments and constitutional officers of the state, counties, municipalities, school districts, special districts, and other governmental entities; and corporations primarily acting as instrumentalities or agencies of the state, counties, municipalities, special districts, school districts, and other governmental entities. The Board of Trustees shall be the

sole judge of whether or not an applicant for membership shall be eligible to participate in the Fund.

- 5.8 **REPORTING.** The Board of Trustees shall be responsible for and shall cause to be prepared and filed such annual or other periodic audits, reports and disclosures as may be required from time to time pursuant to applicable federal and state statutes and rules and regulations, including, but not limited to, periodic payroll audits, periodic summary loss reports, periodic statements of financial condition, certified audits, appropriate applications filed by prospective new members, reports as to financial standings, payroll records, reports relating to coverage, experience, loss and compensation payments, summary loss data statements, periodic status reports, and any other such reports as may be required from time to time to accomplish the purpose of the Fund or to satisfy the requirements of appropriate governmental entities.
- 5.9 **TRUSTEES' LIABILITY.** The Trustees and their agents and employees shall not be liable for any act of omission or commission taken pursuant to this Agreement unless such act constitutes a willful breach of fiduciary duties nor shall any Trustee be liable for any act of omission or commission by any other Trustee or by any employee or agent of the Fund. The Fund hereby agrees to save, hold harmless and indemnify the Trustees and their agents and employees for any loss, damage or expense incurred by said persons or entities while acting in their official capacity unless such action constitutes a willful breach of fiduciary duties.
- 5.10 **RELIANCE ON COUNSEL'S OPINION.** The Board of Trustees may employ and consult with legal counsel concerning any questions which may arise with reference to the duties and powers of the Board of Trustees or with reference to any other matter pertaining to this Agreement or the Fund created thereby; and the opinion of such counsel shall be full and complete authorization and protection from liability arising out of or in respect to any action taken or suffered by the Board of Trustees or an individual Trustee acting hereunder in good faith and in accordance with the opinion of such counsel.
- 5.11 **BY-LAWS, RULES AND REGULATIONS.** The Board of Trustees may adopt and enforce such by-laws, rules and regulations as between the Members of the Fund and the Fund governing the operation of the Fund as are consistent with the terms of this Agreement and as are reasonably necessary to accomplish the purposes of the Fund.

SECTION VI

POWERS AND DUTIES OF THE ADMINISTRATOR

- 6.1 RESPONSIBILITIES. The Administrator shall have the power and authority to implement the directives of the Board of Trustees and the policy matters set forth by the Board of Trustees as they relate to the on-going operation and supervision of the Fund, the by-laws, rules and regulations established by the Board of Trustees, the provisions of this Agreement, and applicable federal and state statutes, rules and regulations. The powers, duties and responsibilities of the Administrator retained by the Board of Trustees shall be set forth in an Administrative Agreement executed between the Board of Trustees and the Administrator.
- 6.2 CONTRIBUTIONS. The Administrator shall deposit into the account or accounts designated by the Board of Trustees, at the financial institution or institutions designated by the Board of Trustees, all contributions as and when collected from the Members and said monies shall be disbursed only in the manner provided by this Agreement, the Coverage Agreements, the rules, regulations and by-laws of the Board of Trustees, and the Agreement entered into by and between the Board of Trustees and the Administrator.

SECTION VII

MEMBERS

- 7.1 MEMBERSHIP CANCELLATION, SUSPENSION OR EXPULSION. The Trustees shall be the sole judge of whether membership in the Fund may be cancelled, or whether a member may be suspended or expelled from the Fund. Written notice of any such cancellation, suspension or expulsion shall be provided by the Fund to the member no less than thirty (30) days prior to the effective date of such cancellation, suspension or expulsion, and no liability under this Agreement or any other agreement,

certificate, document, or other instrument executed by the Fund and the member pursuant to this Agreement, shall accrue to the Fund following the effective date of such cancellation, suspensions or expulsion. The minimal notice provisions of this paragraph shall not apply in the event a member fails to make the requisite contributions for coverages under this Agreement when such contributions are due.

7.2 **RESPONSIBILITIES OF MEMBERS.** By execution of a Participation Agreement agreeing to be bound by the terms and conditions of this Amended Interlocal Agreement, each Member agrees to abide by the following rules and regulations:

- (a) The Trustees have the sole responsibility to govern and direct the affairs of the Fund pursuant to this Agreement.
- (b) Any Member who formally applies for Membership in this Fund, and who is accepted by the Board of Trustees, shall thereupon become a party to this Amended Interlocal Agreement and shall be bound by all of the terms and conditions contained herein. The Participation Agreement shall constitute a counterpart of this Amended Interlocal Agreement, and this Amended Interlocal Agreement shall constitute a counterpart of the Participation Agreement.
- (c) To maintain a reasonable loss prevention program in order to provide the maximum in safety and lawful practices as such may relate to the potential liability assumed by the Fund under this Agreement or any other agreement, certificate, document, or other instrument executed by the Fund and the Member pursuant to this Agreement.
- (d) To comply with the conditions of the Florida Workers' Compensation Law.
- (e) To provide immediate notification in the event an accident or incident occurs which is likely to give rise to a claim within the scope of this Agreement, or any other agreement, certificate, document, or other instrument executed by the Fund and the Member pursuant to this Agreement.
- (f) To promptly make all contributions for coverages arising under this Agreement, or any other agreement, certificate, document, or other instrument executed by the Fund and the Member pursuant to this Agreement, at the time and in the manner directed by the Board of Trustees. Said contributions may be reduced by any discount, participation credit, or other contribution reduction program established by the Board of Trustees.

(g) In the event of the payment of any loss by the Fund on behalf of the Member, the Fund shall be subrogated to the extent of such payment to all the rights of the Member against any party or other entity legally responsible for damages resulting from said loss, and in such event, the Member hereby agrees, on behalf of itself, its officers, employees and agents, to execute and deliver such instruments and papers as is required, and do whatever else is reasonably necessary, to secure such right to the Fund, and to cooperate with and otherwise assist the Fund as may be necessary to effect any recovery sought by the Fund pursuant to such subrogated rights.

(h) The Board of Trustees, its Administrator, and any of their agents, servants, employees or attorneys, shall be permitted at all reasonable times and upon reasonable notice to inspect the property, work places, plants, works, machinery and appliance covered pursuant to this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, and shall be permitted at all reasonable times while the Member participates in the Fund, and up to and including two (2) years following the termination of its membership in the Fund, to examine the Members' books, vouchers, contracts, documents and records of any and every kind which show or tend to show or verify any loss that may be paid or may have been paid by the Fund on behalf of the Member pursuant to this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, or which show or verify the accuracy of any contribution which is paid or payable by the Member pursuant to the terms of this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement.

(i) The Fund is to defend in the name and on behalf of the Member any claims, suits or other legal proceedings which may at any time be instituted against the Member on account of bodily injury liability, property damage, property damage liability, errors and omissions liability or any other such liability, monetary or otherwise, to the extent such defense and liability has been assumed by the Fund pursuant to his Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, subject to any and all of the definitions, terms, conditions and exclusion contained in said agreements, or any other agreement, certificate, document, or other instruments,

although such claims, suits, allegations or demands are wholly groundless, false, fraudulent, and to pay all costs taxed against the Member in any such legal proceedings defended by the Fund or the Member, all interest, if any, legally accruing before and after entry of judgment in such proceedings, and all expense incurred in the investigation, negotiation or defense of such claims, suits, allegations or demands. Such defense shall be subject to the control of the Fund and its Administrator, which may make such investigations and settlement of any such claim, suit, or other legal proceeding, monetary or otherwise, as they deem expedient. The Member agrees to cooperate fully with the Fund, its administrator and their agents, with respect to the investigation, adjustment, litigation, settlement and defense of any claim, suit, or other legal proceeding, monetary or otherwise, which would be covered by the terms of this Agreement and/or any policies of insurance, excess insurance or re-insurance which have been purchased to provide protection against such claims and liabilities. The Member acknowledges that failure to cooperate fully in the investigation, defense or litigation of such claims, suits, or liabilities may constitute grounds for denial of coverage pursuant to this Agreement and/or the applicable policies of insurance.

(j) The liability of the Fund is specifically limited to the discharge of the liability of its Members assumed pursuant to this Agreement or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement; the coverage of the Fund does not apply to punitive or exemplary damages.

(k) Unless the Fund and the Member otherwise expressly agree in writing, coverage by the Fund for a Member under the terms of this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, shall expire automatically on the last day of September of each calendar year, and no liability under this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, shall accrue to the Fund beyond such expiration date unless such Member renews its coverage.

(l) Except as otherwise provided herein, a Member's coverage may be cancelled by the Fund or the Member at any time upon no less than thirty (30) days prior written notice by the Board of Trustees or Administrator to the Member, or by the

Member to the Board of Trustees. The notice shall state the date such cancellation shall become effective.

(m) Excess monies remaining after the payment of claims and claims expenses, and after provision has been made for the payment of open claims and outstanding reserves, may be distributed by the Board of Trustees to the Members participating in the Fund in such manner as the Board of Trustees shall deem to be equitable.

(n) There will be no disbursements out of the reserve fund established by the Fund by way of dividends or distributions of accumulated reserves to Members until after provision has been made for all obligations against the Fund and except at the discretion of the Board of Trustees.

(o) Qualified service providers, including attorneys selected by the Fund, shall defend, investigate, settle and otherwise process and dispose of all claims, suits, allegations or demands that may result in liability assumed by the Fund on behalf of the Member pursuant to this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement.

(p) The Member, through the Board of Trustees, does hereby appoint the Administrator as its agent and attorney-in-fact, to act on its behalf and to execute all necessary contracts, reports, waivers, agreements, excess insurance contracts, service contracts, and other documents reasonably necessary to accomplish the purposes and to fulfill the responsibilities of the Fund; to make or arrange for the payment of claims, claims expenses, and all other matters required or necessary insofar as they affect the matters covered pursuant to the terms of this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, and the rules and regulations now or hereafter promulgated by the Board of Trustees.

(q) To make prompt payment of all contributions and penalties as required by the Board of Trustees, said contributions or penalties to be determined by the Board of Trustees. Any disputes concerning contributions or penalties shall be resolved after the payment of said contributions or penalties.

(r) To pay reasonable penalties as determined by the Board of Trustees for late payment of contributions required under this Agreement, or any other agreement,

certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement.

(s) Coverage by the Fund under the terms of this Agreement, or any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement, shall expire and be cancelled, upon no less than ten (10) days prior written notice from the Fund to the Member, for nonpayment of contributions.

(t) To abide by all the terms and conditions of this Agreement, the Participation Agreement, the Fund's by-laws, the rules and regulations, the terms of any coverage document issued by the Fund to the Member, and any other agreement, certificate, document, or other instrument executed by the Member and the Fund pursuant to this Agreement.

(u) Each Member voluntarily transfers to the Trust any rights and privileges such Member enjoys under the laws of the State of Florida, including Sections 163.01, and 768.28, Florida Statutes, and specifically those statutory provisions pertaining to such Member's sovereign immunity and the applicable limitations of the Member's liability to \$100,000.00 per individual claim, and to \$200,000.00 for multiple claims, arising out of the same transaction. The purchase of insurance or indemnity hereunder shall not be deemed or be construed as a waiver of sovereign immunity by the Members.

SECTION VIII

ACCOUNTING

True and complete accounts shall be kept of all transactions and of all assets and liabilities of the Trust. The accounts of the Trust shall be audited annually by a firm of independent certified public accountants, which shall be selected by the Board of Trustees.

SECTION IX

DURATION

This Agreement shall continue in full force and effect until it is terminated by the mutual consent of all the Members; provided, however, that this Section IX shall not be construed to preclude the termination and winding up of the Trust within the discretion of the Board of Trustees, or the amendment of this Agreement pursuant to Section X.

SECTION X
AMENDMENT

This Agreement may be amended only upon the affirmative vote or written consent of at least two-thirds of the votes cast by Members at a meeting of Members. A copy of any amendment to this Agreement shall be delivered to each Member. All rights and obligations of the Members are subject to the reservations of the right to amend this Agreement.

SECTION XI
STATUTES, RULES AND REGULATIONS

The Trust shall at all times act in accordance with the provisions of statutes, rules and regulations of the State of Florida.

SECTION XII
MISCELLANEOUS PROVISIONS

- 12.1 **PROHIBITION AGAINST ASSIGNMENT.** No Member may assign any right, claim, or interest it may have under this Agreement, or any coverage term, and no creditor, assignee, or third-party beneficiary of any Member shall have any right, claim, or title to any part, share, interest, funds, or assets of the Trust except as specifically may be agreed to by the Trust.
- 12.2 **APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the statutes, rules and regulations of the State of Florida, and all questions pertaining to its validity, construction, and administration shall be determined in accordance with the laws of the State of Florida.
- 12.3 **ENFORCEMENT.** The Trust and its Members shall have the power to enforce this Agreement by action brought in any court of appropriate jurisdiction within the State of Florida.
- 12.4 **SEVERABILITY.** If any term or provision of this Agreement, or the application of such term or provision to any person or circumstance, shall to any extent be invalid or

unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be effected, and each term or provision of this Agreement shall be valid and enforceable to the full extent permitted by law.

12.5 **CONSTRUCTION.** Whenever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also used in the feminine or neutral gender in all situations where they would so apply. Whenever any words are used in this Agreement in the singular, they shall be construed as though they were also used in the plural form in all situations where they would so apply. Whenever any words are used in this Agreement in the plural form, they shall be construed as they thought were used in the singular form in all situations where they would so apply.

12.6 **FISCAL YEAR.** The Fund shall operate on a fiscal year from 12:01 a.m., October 1, to midnight the last day of September of the succeeding year. Application for membership, when approved in writing by the Board of Trustees or its designee, shall constitute a continuing contract for each succeeding fiscal year unless cancelled by the Board of Trustees or the participating Member in the manner herein provided.

By execution of the attached Participation Agreement, and upon acceptance by the Board of Trustees, or their designated agent, the Member agrees to be fully bound by the terms and conditions of the Amended Interlocal Agreement, effective October 1, 2002, and thereafter.

ATTACHMENT D

PARTICIPATION AGREEMENT

Application for Membership in the Preferred Governmental Insurance Trust

The undersigned local governmental entity, as a public agency of the State of Florida as defined in Section 163.01, Florida Statutes, hereby formally makes application with the Trust for continuing workers' compensation, liability, property and/or casualty coverage through membership in the Preferred Governmental Insurance Trust, to become effective 12:01 a.m. October 1, 2005, and if accepted by the Fund's duly authorized representative, does hereby agree as follows:

- (a) To accept and be bound by the provisions of the Florida Workers' Compensation Act;
- (b) That, by this reference, the terms and provisions of the Amended Interlocal Agreement creating the Preferred Governmental Insurance Trust are hereby adopted, approved and ratified by the undersigned local governmental entity. The undersigned local governmental entity certifies that it has received a copy of the aforementioned Amended Interlocal Agreement and further agrees to be bound by the provisions and obligations of the Amended Interlocal Agreement as provided therein;
- (c) To pay all premiums on or before the date the same shall become due and, in the event Applicant fails to do so, to pay any reasonable late penalties and charges arising therefrom, and all costs of collection thereof, including reasonable attorneys' fees;
- (d) To abide by the rules and regulations adopted by the Board of Trustees of the Fund;
- (e) That should either the Applicant or the Fund desire to cancel coverage, it will give not less than thirty (30) days prior written notice of cancellation;
- (f) That all information contained in the underwriting application provided to the Fund as a condition precedent to participation in the Fund is true, correct and accurate in all respects.

Town of Davie
(Name of Local Governmental Entity)

Witness Signature

By: _____
Signature

Printed Name

TOM TRUEX

Printed Name

Witness Signature

Title: _____

Printed Name

IS HEREBY APPROVED FOR MEMBERSHIP IN THIS FUND, AND COVERAGE IS EFFECTIVE THE ____ DAY
OF _____, 20 ____ . SIGNED THIS ____ DAY OF _____, 20 ____ .

By: _____
Administrator/Trustee